

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 497 - Water Allocation Permitting Program (LSB 1279 HV)
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Fiscal Note Version - New

Description

House File 497 allows the Department of Natural Resources (DNR) to charge an annual permit fee for diverting, storing, or allocating water. The fees will be adopted by Administrative Rule and will be approved by the Environmental Protection Commission.

Background

Currently, the fee to withdraw, store, or divert water is \$25 for a ten-year period. The amount of water available for withdrawal in Iowa is unknown, as water supply programs were discontinued in the 1990's as the Department's General Fund budget was reduced. Information pertaining to the amount of water available for use in Iowa becomes critical due to the expansion of the ethanol industry, the continued population growth in larger cities, the concentration of the livestock industry, and the expansion of rural water usage.

Assumptions

- The fees will not be collected until January 1, 2008, and the maximum amount that can be collected is \$500,000 per fiscal year.
- Current annual fees collected are approximately \$10,000 per year. The current number of permits sold is estimated at 400 per year when the \$10,000 is divided by the \$25 annual permit fee.
- The Department estimates the following permits will be issued in FY 2008: 125 new applicants, 300 renewing applicants, and 50 non-recurring use applicants.
- Salary costs will increase by \$175,000 and 2.75 FTE positions for FY 2008. The additional staff will provide a more thorough review of applications and provide technical assistance.
- Water quantity program support will increase by \$145,000 in FY 2008 and will increase up to \$170,000 if the maximum amount of \$500,000 is collected. Additional support will provide funding to revise the State Water Plan every five years, improve the program's database, maintain water gauging stations, and other program oversight.

Fiscal Impact

The fiscal impact of HF 497 is an increase in fees of \$330,000 to the DNR for FY 2008 and up to \$170,000 for FY 2009. The DNR will also have an increase in expenditures of \$330,000 and 2.25 FTE positions for FY 2008 and up to \$170,000 for FY 2009.

Source

Department of Natural Resources

February 27, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
